

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6195**

**BILL NUMBER:** HB 1190

**NOTE PREPARED:** Nov 13, 2002

**BILL AMENDED:**

**SUBJECT:** Unemployment Compensation.

**FIRST AUTHOR:** Rep. Stilwell

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ GENERAL  
☒ DEDICATED  
☒ FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill establishes an alternative wage base period used to compute unemployment compensation benefits.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:** The base period is currently the first four calendar year quarters out of the last five complete quarters. A person has to earn at least \$1,650 in the last two quarters of the base period and \$2,750 in base period wages. The bill would change the definition for employees without sufficient wages in the base period to the last four completed calendar year quarters. From October 2001 to September 2002, 281,282 people applied for unemployment and 28,860 were denied for insufficient wage credits. The impact of an additional 28,860 claims would be an increase in expenditures from the fund of between \$22.2 M and \$52.5 M. During FY 2002 the fund paid \$459 M in benefits and had an ending balance of \$1,472.9 M.

In addition, the state paid about \$2.7 M in unemployment benefits for FY 2002. Assuming an 11.43% increase in claims, the impact to the state as an employer would be about \$314,000.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** See *Explanation of State Expenditures*. The local impact is as an employer.

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Workforce Development, State Agencies.

**Local Agencies Affected:** All.

**Information Sources:** Dorothy Greene, Department of Workforce Development, 317-232-7706.

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